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February 23, 2006

TO:

Each Supervisor

FROM:

Bruce A. Chernof, MD

Acting Director and Chief Medical Officer

SUBJECT:

EMERGENCY PURCHASE OF INPATIENT PHARMACY SYSTEM FOR

HARBOR-UCLA AND OLIVE VIEW-UCLA MEDICAL CENTERS

This is to inform you that DHS has requested the Internal Services Department (ISD) to issue a purchase order for the procurement of the QuadraMed Affinity Inpatient Pharmacy information system for Harbor-UCLA Medical Center (HUMC) and Olive View-UCLA Medical Center (OVUMC). This purchase is being done in order to ensure continued access to an inpatient pharmacy information system at these two facilities.

DHS will be requesting that ISD issue purchase orders to QuadraMed Corporation in the amount of \$850,453.14 for hardware and software and in the amount of \$95,500 for professional services.

Background

Presently, HUMC and OVUMC use the Sigma Software pharmacy information system, which is over 15 years old and does not perform to current industry standards. Support of this system is no longer available from the original vendors of the applications, database, operating system, and hardware; thus the facilities have been reliant upon third party vendors to maintain the technology associated with this legacy system.

The Department has been working to procure a new Department-wide pharmacy system, however, the implementation of such a system is a long-term project and the

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need for more current technology at HUMC and OVUMC is acute, in particular because of the lack of a viable long-term maintenance option and the obsolescence of the current technology.

The current Sigma pharmacy system application software at HUMC and OVUMC is supported by EXM, Inc. The Sigma Software Maintenance Services Agreement with EXM expires on March 31, 2006 and, while the Department has been in negotiations with EXM directly for an extension of the maintenance agreement, the obsolete hardware remains a significant risk. DHS has determined that due to the critical role this system plays in managing the delivery of pharmaceutical services to patients, the most appropriate resolution is to procure new technology.

To ensure that both hospitals maintain a fully supported inpatient pharmacy information system, until such time as an enterprise-wide pharmacy system is put into place, the Department intends to migrate HUMC and OVUMC to the QuadraMed Affinity Inpatient Pharmacy information system. The County CIO supports this course of action.

FISCAL IMPACT/FINANCING:

DHS will request that the County Purchasing Agent issue purchase orders to QuadraMed Corporation in the amount of \$850,453.14 for the hardware and software and \$95,500 for professional services. Funding is available in the Department's Fiscal Year 2005-06 budget.

SELECTION PROCESS

Due to the immediate need for this new technology, DHS evaluated the feasibility, cost, time to install, and risk associated with available inpatient pharmacy information systems that could be quickly procured, installed, and integrated into the facilities while meeting the critical patient safety, regulatory compliance, accreditation, and operational efficiency requirements.

QuadraMed Corporation is the provider of DHS' core information system, the QuadraMed Affinity Healthcare Information System (HIS). Installation of the QuadraMed Affinity Inpatient Pharmacy will provide a seamless integration with the current Affinity HIS, and provide data that support patient safety and operational efficiency. The DHS Pharmacy Director and Pharmacy Directors at HUMC and OVUMC agreed that moving forward with QuadraMed as an interim solution is the most appropriate manner in which to proceed. The Department's long-standing and successful relationship with QuadraMed and the proven integration with the Affinity HIS were key factors in this selection.

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CONCLUSION

Procurement of the QuadraMed Affinity Inpatient Pharmacy information system will allow DHS to implement a vendor-supported inpatient pharmacy information system and avoid the risk of not having a fully functional inpatient pharmacy information system at HUMC and OVUMC. The system is necessary to support patient safety, regulatory compliance, accreditation, and efficient operations. Unless otherwise instructed by March 1, 2006, DHS will request that ISD proceed to issue purchase orders to QuadraMed Corporation for procurement of the inpatient pharmacy information system.

Please let me know if you have any questions or require additional information.

BAC:jg

c: Chief Administrative Officer

County Counsel

Executive Officer, Board of Supervisors Director, Internal Services Department

NOTED AND APPROVED:

County Chief Information Officer